GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3082
ANSWERED ON:13.08.2003
DISINVESTMENT OF BPCL
ADHIR RANJAN CHOWDHURY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Union Government have recently selected DSP Merrill Lynch (Asia Pacific), ICICI Securities and Finance Co. Ltd. an UBS Warburg to act as joint global Coordinator-cum-Advisor for the BPCL disinvestment;

(b) if so, the details and the facts thereof;

(c) the reserved price fixed for the disinvestment of BPCL;

(d) the manner in which the evaluation of their share has been done;

(e) whether the Department has undertaken any study on the cornering of BPCL shares by a group of investors just before the cabinet decision regarding disinvestment of BPCL; and

(f) if so, the details thereof alongwith the share holding pattern of BPCL?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) & (b) Based on a competitive bidding process, Government have appointed the consortium comprising DSP Merrill Lynch Limited, Mumbai and Merrill Lynch (Asia Pacific) Limited, Hongkong and another consortium comprising ICICI Securities Limited, Mumbai and UBS Warburg, Hong Kong as Joint Global Coordinator-cum-Advisors for the disinvestment of 35.2% equity of BPCL held by Government through both domestic offer for sale and ADR issue.

(c) & (d) No reserve price is fixed in the case of offer for sale such as the BPCL disinvestment. However, in the case of offer for sale, pricing, etc. is typically decided in consultation with the Advisors at an appropriate later stage in the process.

(e) No, Sir. However, SEBI had been requested for an investigation for the period around the Government decision of September, 2002 on BPCL/HPCL disinvestment.

(f) Does not arise.